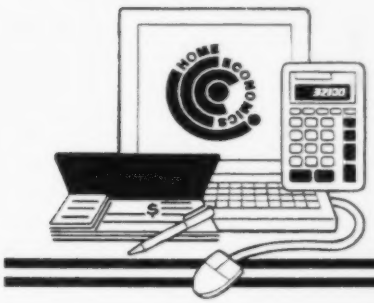

Family Finance

Family Living Costs: 2004

***Budget Guides** is a database, produced by Manitoba Agriculture, Food and Rural Initiatives. It details the guidelines used to arrive at the family living costs in this fact sheet.*

Guidelines are based on an inventory of goods and services necessary to maintain physical and social well-being throughout the family lifecycle.

***Family Living Costs: 2004** outlines various expenditures for categories of a family's financial plan. The family living costs may also be a useful reference for farm families and those operating a home based business when estimating cash flow for living expenses.*

Guides for 2004

Depending on a family's income, values, goals, and lifestyle, needs can be subjective. What one family considers essential may not be necessary for another. Family living costs must be adjusted accordingly for each individual situation.

A good example is that a farm family probably needs one or more vehicles for transportation, while a family living in Winnipeg has the option of using public transit and taxis instead of operating a car.

The figures in the **Budget Guides 2004 database** are based on averages of regular priced, new items. Pricing was done during November, 2003 – January, 2004.

Costs in some categories can be greatly reduced by buying items on sale, in bulk, or second hand.

NOTE: ***Budget Guides database** is intended as a benchmark for calculating living costs in Manitoba. Families should adjust their figures to reflect their own income, priorities, and the location where they live. It is <u>not</u> intended for use as a minimum standard of living. See the worksheet at the end of this fact sheet where you can compare your own family's figures.*

NOTE: ***Savings** and **risk management** costs (such as life insurance and disability insurance), have not been included in this summary because of widely varying individual needs. For example, the life insurance needs of two parents with young children are very different from those of a single person who does not have any children. Similarly, disability protection is necessary for the self-employed, such asa farm family, but may not be needed to the same extent by an employed person whose company has a good disability plan.*

Be sure to include these and other expenses when estimating your own total family living costs.

Family Living Costs

Each of the tables on the following pages give a summary of the spending categories which are found in the **Budget Guides database for 2004.** All figures are rounded in these tables for easier calculations. These categories include:

- **Food**
- **Shelter**
- **Home furnishings**
- **Household operations**
- **Personal care**
- **Health care**
- **Clothing**
- **Transportation**
- **Recreation, reading, gifts and contributions, school needs**
- **Communication**
- **Child care**

Manitoba
Building for the Future

FLC Categories

The following describes expenditure categories used in the **Budget Guides database.** All figures are based on the costing of an inventory of goods and services, not consumption patterns as does the Statistics Canada's Survey of Household Spending. The costs in this fact sheet are not intended for use as a minimum standard of living. However, some categories meet only basic needs, e.g. food and household operations. No allowance is made for inflation.

◆ **Food:**
The food basket is based on the ***1998 Monitoring the Cost of a Nutritious Food Basket Protocol*** from the Ministry of Health in Ontario. This basket uses current nutrition recommendations as defined by the Nutrition Recommendations (1990) and Canada's *Food Guide to Healthy Eating* (1992). Infant standards have been modified according to the ***1998 Nutrition for Healthy Term Infants*** statement from the Canadian Paediatric Society, Dieticians of Canada, and Health Canada. In the chart below formula feeding is assumed for the first year.

■ **COST OF FOOD AT HOME – Winnipeg**

	Month	Year
Infant - 0-12 months	$126	$1,507
Child		
1 year	67	804
2-3 years	72	866
4-6 years	96	1,156
Boy		
7-9 years	119	1,423
10-12 years	144	1,732
13-15 years	169	2,025
16-18 years	196	2,357
Girl		
7-9 years	113	1,351
10-12 years	132	1,578
13-15 years	143	1,711
16-18 years	137	1,639
Man		
19-24 years	187	2,244
25-49 years	181	2,171
50-74 years	163	1,960
75+	148	1,775
Woman		
19-24 years	139	1,673
25-49 years	133	1,593
50-74 years	130	1,560
75+	126	1,510
Pregnancy (age 25-49)		
Trimester 1	145	1,740
Trimester 2	154	1,843
Trimester 3	154	1,843
Lactation	157	1,885

The **food costs** quoted are based on an average of prices from three different Winnipeg supermarkets. It must be remembered that **food costs given are related to nutritional in-take needs, and may not reflect individual family eating patterns**, such as the use of convenience foods and eating meals away from home. Factors such as special diets, extra snacks, cultural foods will increase food costs.

Family size:
Food costs may increase or decrease the cost of the food basket when adjusted for family size. For families of ***less than four***, ***add*** the following amounts to your family's food basket total:

1 person	+ 20%
2 persons	+ 10%
3 persons	+ 5%
4 persons	+ 0 (no change)

If your family size is ***larger than four***, ***decrease*** your food basket total by the following amounts:

5 persons	- 5%
6 persons	- 10%

Meals away from home:
Today many family members eat meals away from home. It is useful to keep track of your actual expenses. Figures from Statistics Canada in 1996 indicate that, in Manitoba, 26.5% of the food budget was for meals eaten away from home. The national average was 27.8%.

To estimate your food costs consider the following:

1. Total cost of the food basket at home:
   _____ $_____
   _____ _____
   _____ _____
   _____ _____
   _____ _____
   Total: $ _____
2. Family size adjustment (+/- ____% $ _____
3. Additional costs: (*meals out, special diets, cultural foods, etc.)* $ _____

Total food costs: **$ _____**

◆ **Cost of Food in Manitoba:**
The chart below gives costs for feeding an infant and a family of four for a year in each region of Manitoba. Within each region, pricing took place in stores in the major center as well as smaller communities. As in Winnipeg, an average food basket was calculated.

Pricing was done in November, 2003. In some stores, not all food basket items were found. In these cases, a Winnipeg average cost for the item was used to arrive at a total food basket cost.

MANITOBA FOOD COST SURVEY
YEARLY FOOD COSTS

Region/location	Family*	Infant
Winnipeg	$ 7,141	$ 1,507
Central:		
· Portage la Prairie	$ 7,364	$ 1,895
· Morden/Winkler	7,180	1,591
· Other communities (6)	7,610	N/A
South west region:		
· Brandon **	$ 6,646	$ 1,283
· Other communities (6)	7,810	*** 1,678
North west region:		
· Dauphin	$ 7,447	$ 1,431
· Other communities (4)	7,436	*** 1,757
Eastern/Interlake:		
· Steinbach	$ 7,672	$ 1,747
· Other communities (10)	7,436	*** 1,645
North:		
Thompson	$ 7,578	$1,455
Other communities (4)	8,309	1,492

* *The family consists of a man and woman 25-49 years of age, a girl aged 7-9 years and a boy aged 13-15 years. Food costs are not adjusted for a family of four.*

** *Brandon acquired another large grocery outlet in October 2004, less than a month prior to pricing.*

*** *When infant formula was not priced in the small community, then the infant food basket does not include that community in the average for the region.*

N/A –a number of products were not available

◆ **Shelter:**
Shelter costs outline housing standards and reviews the types of housing available. They establish costs associated with homeownership and renting for Winnipeg.

To estimate home maintenance and repair costs for homeowners a guideline of 1-2% of the home's value per year for new homes, and at least 3%, or more, for older homes is used.

For people who are unable to do home maintenance tasks that require physical exertion, climbing, etc., no allowance is given. These tasks may need additional hired help and be added to living costs.

Detailed information on average consumption patterns and costs for water, hydro, and gas utilities are included in the **Budget Guides database**. These costs are outlined for heating, household appliances, and other home uses.

■ **SHELTER**

	Month	Year
Home Ownership in Winnipeg		
2003 Price $110,256		
Equity - $11,026		
Mortgage - $99,230		
Interest – 4.25%		
Carrying Cost (25 years amortization)	$535	$6,426
Taxes	183	2,199
Utilities	184	2,211
Maintenance/ Repair	275	3,300
Insurance	41	488
TOTAL	$1,219	$14,624
Average Rent in Winnipeg (including electricity, insurance)		
Bachelor Apt.	$379	$4,548
1 Bedroom Apt.	508	6,096
2 Bedroom Apt.	645	7,740
3 Bedroom Apt.	779	9,348

◆ Home Furnishings and Equipment:

Home furnishings and equipment are based on inventories of home furnishings and equipment for different families. The budget assumes gradual replacement of items over the years, or depreciation over the expected period of use. Thus, the average costs shown do not necessarily represent actual expenditures per year, but a budget allocation - or saving - required to maintain the inventory.

■ HOME FURNISHINGS and EQUIPMENT	Month	Year
Non-Elderly Families		
1 person	$56	$677
2 (2 adults)	68	818
2 (1 adult, 1 child)	74	887
3 (1 adult, 2 children)	89	1,068
3 (2 adults, 1 child)	86	1,034
4 persons	104	1,250
5 persons	121	1,449
6 persons	137	1,648
7 persons	154	1,847
8 persons	171	2,046
Elderly Families		
1 person	54	644
2 persons	66	793
Additional for Range and Refrigerator		
1-4 persons	7	84
5-8 persons	9	105

◆ Household Operations:

Household operations include such items as laundry, cleaning supplies, and paper products. For economy reasons, these costs assume households have a washer and a dryer (*allocated in the Home Furnishing and Equipment section).*

■ HOUSEHOLD OPERATION	Month	Year
Family Size		
1 person	$15	$180
2 persons	28	330
3 persons	36	430
4 persons	44	530
5 persons	52	620
6 persons	59	710
7 persons	67	801
8 persons	74	891
Additional for Laundering		
Infant Needs	3	33
Diapers	6	77

◆ Personal Care:

Costs are for such needs as haircuts, shampoo, tooth brushes, and toothpaste. Items such as deodorant, shaving supplies and sanitary products are included for teens and adults.

■ PERSONAL CARE		Month	Year
Child:	1-6 years	$9	$112
	7-11 years	9	109
Boy:	12-14 years	17	202
	15-18 years	25	295
Girl:	12-14 years	28	339
	15-18 years	36	426
Man:	Employed	26	314
	Home-based	26	314
	Elderly	26	314
Woman:	Employed	39	470
	Home-based	36	426
	Elderly	33	394

◆ Health Care:

Health care costs are a basic part of every family's budget, but they are difficult to determine because of individual medical needs. Included are Manitoba Blue Cross Medi-Blue Plan health insurance, an annual dental check up, cleaning, and fluoride treatment. No prescription drugs are included.

■ HEALTH CARE			Month	Year
Manitoba Blue Cross				
Medi-Blue Plan	-Single	18 - 34	15	184
		35 - 44	17	209
		45 - 54	20	238
		55 - 64	23	274
		65 - 74	28	341
		75 - 84	35	414
		85 +	39	462
	- Family			
		18 -34	27	325
		35 - 44	31	368
		45 - 54	35	419
		55 - 64	40	481
		65 - 74	50	600
		75 - 84	61	727
		85 +	68	811
Dental	Child – under 3 years			-
	3-11 years			83
	12-18 years			101
	adult			91
Medicine Chest Supplies				
	1-2 persons			50
	3-5 persons			99
	Over 5 persons			159

◆ **Clothing:**
Clothing costs are based on inventories of items appropriate for different age groups and sexes. The normal wear life of each item is taken into account in establishing these figures. Low cost, durability, and fashions are criteria considered when pricing items. Items are priced primarily from national store catalogues to represent average costs available to both urban and rural shoppers.

Infant costs include clothing and cloth diapers. If disposable diapers are used instead of cloth then these costs will need to be included in the family's living costs. Because of the increased variety of disposable diapers on the market today it should be noted that the cost of using "basic" disposable diapers has decreased. The total cost if using only disposable diapers over the 2 ½ year period would be $1,345.

■ **CLOTHING**

	Month	Year
Infant		
Clothing, Cloth Diapers, Furnishings and Other Needs	$143	$1,720
Boy		
1 year	33	399
2-3 years	32	386
4-5 years	32	386
6-8 years	39	465
9-11 years	41	493
12-14 years	76	914
15-18 years	72	866
Girl		
1 year	41	488
2-3 years	45	537
4-5 years	47	558
6-8 years	43	521
9-11 years	45	540
12-14 years	88	1,060
15-18 years	92	1,099
Man		
Blue Collar Worker	80	959
White Collar Worker	77	920
Home-based	56	671
Elderly	42	509
Woman		
Blue Collar Worker	86	1,038
White Collar Worker	104	1,244
Home-based	71	851
Elderly	47	562
Maternity	40	478
Additional with only Disposable Diapers		
0-12 months	46	555
1-2 years	47	558
2-2½ years	19	232

◆ **Transportation:**
Where available, public transportation is generally the least costly. Costs for public transportation are for Winnipeg and are the number of trips required for employment, school, shopping and some social and recreational activities. One taxi fare weekly is allotted to single parent and elderly households for a return fare for food shopping plus an extra six return fares.

Cars are expensive to both buy and operate. For many families it may be their largest single expense next to food and shelter. To establish *an average driving cost* is difficult because of the many variables.

The car costs in the **Budget Guides database** are based on a new car purchased on credit. If the vehicle is purchased for cash, the costs would be reduced substantially. A used car could also reduce costs but maintenance may be higher, particularly if there is no warranty.

Variable expenses (*gas, oil, maintenance, and tires*) are directly related to the number of kilometres driven, how the car is used, and how much money is put towards service and repairs. Fixed expenses (*insurance, licence, registration fees, depreciation and financing*) will vary depending on the vehicle driven and the territory.

■ **TRANSPORTATION**

	Month	Year
Public Transit and Taxis		
Adult		
1 person	$70	$845
2 persons	136	1,630
Lone Parent	97	1,165
Elderly - 1 person	91	1,087
- 2 persons	135	1,624
Child		
Under 5 years	-	-
5-11 years	6	75
12-17 years	42	509
Automobile driven 16,000 km		
Variable and Fixed Costs		
Territory 1 (Winnipeg)	736	8,829
Territory 2	730	8,763
Territory 3	772	9,258
Territory 4	751	9,009
Commuter to Winnipeg	742	8,908
Variable Costs Only at $.14/km	183	2,200

◆ **Recreation, Reading, Gifts, and School Needs:** This section includes home entertainment such as TV, CDs/cassette players, etc. It also provides for a balanced set of activities and interests. It is recognized that people prefer particular types of recreation and may outspend the amount allocated for some items. The *trading-off* of expenditures may occur in this category depending on individual interests.

See the fact sheet, ***The Cost of Raising a Child: 2004*** for examples of costs related to children, including school needs.

■ RECREATION, READING, GIFTS and CONTRIBUTIONS, SCHOOL NEEDS	Month	Year
Non-Elderly Families		
1 adult	$186	$2,238
2 adults	322	3,869
Lone Parent	247	2,963
Elderly Families		
1 adult	269	3,224
2 adults	366	4,396
Child		
1-4 years	48	571
5 years	54	648
6 years	61	729
7-11 years	82	979
12-13 years	79	950
14 years	80	962
15-17 years	94	1,132
18 years	112	1,348

◆ **Communication:** Communication costs cover the basic monthly charges for a telephone, an allowance for long distance calls, plus minimal amounts for postage, writing materials, and greeting cards.

For families living in rural and northern areas of the province, additional costs for long distance should be based on individual expenditures.

■ COMMUNICATIONS	Month	Year
Non-Elderly Families		
1 adult	$44	$532
2 adults	52	624
Lone Parent	46	549
Elderly Families		
1 adult	46	550
2 adults	54	645

◆ **Child Care:** Child care costs vary depending on the availability of extended family to care for children, the type of day care needed, and the facilities in your area. The need for child care services differs if there is a parent at home.

Costs included in this category are without subsidies for a licensed day care for a single working parent. Depending on the number of children in care and family income, subsidies could reduce these costs significantly.

■ CHILD CARE (without subsidies)	Month	Year
Lone Parent – Employed		
1 Child		
Infant	$381	$4,568
toddler under 2 years	517	6,200
Pre-school/kindergarten	433	5,200
school age	317	3,805
2 Children		
infant/pre-school	722	8,668
toddler/pre-school	858	10,300
Pre-school/kindergarten	775	9,300
kindergarten/school age	659	7,905
school age/school age	519	6,230
Lone Parent – At Home		
1 or 2 Children		
Pre-school	92	1,100
school age	49	584
2 Parents – Employed		
1 Child		
Infant	322	3,868
toddler under 2 years	458	5,500
pre-school/ kindergarten	375	4,500
school age	259	3,105
2 Children		
infant/pre-school	664	7,968
toddler/pre-school	800	9,600
pre-school/kindergarten	717	8,600
kindergarten/school age	600	7,205
school age/school age	461	5,530
2 Parents - 1 At Home		
1 or 2 Children		
pre-school or school age	33	400

◆ **Additional Costs:** **This fact sheet is a guideline for discussion. Depending on individual lifestyles and income, family costs will vary. For example the cost of credit, pets, alcohol and tobacco are not included. Savings and risk management costs also need to be considered.**

Sample Budgets

Following are four sample budgets for different family situations. These provide a guideline for living costs.

Start to track your family living costs using the form provided on page 9. Fill in **Budget Guide** figures for your individual situation. Compare your living costs to this guideline. Remember, it will not be exact because every person's situation is different.

■ SAMPLE BUDGET - 2 person family
Man: 65 – 74 yrs, retired. Woman: 65 – 74 yrs, retired.
Renters in Portage la Prairie, car with no loan.
(excluding risk management and savings)

	Month	Year	Percent of Total
Food *(1)*	$330.84	$3,970.02	15
Shelter *(2)*	483.76	5,805.16	22
Home Furnishings & Equipment	66.10	793.14	3
Household Operation	27.50	330.04	1
Clothing	89.26	1,071.07	4
Health Care, Dental & Medicine Chest *(3)*	69.24	830.88	3
Personal Care	58.93	707.13	3
Recreation, Reading, Gifts & Contributions	366.29	4,395.50	17
Communications	53.77	645.28	2
Transportation *(4)*	672.58	8,071.00	30
TOTAL	**$2,218.27**	**$26,619.22**	**100**

1) Food budget calculated for 2 persons (additional 10%); no meals away from home
2) One bedroom apartment in Portage la Prairie including electricity and insurance
3) Blue Cross Medi-Blue, annual dental check-ups/cleaning and Medicine Chest.
4) 16,000 km. (Territory 2) minus financing for car purchase.

■ SAMPLE BUDGET - 2 person family in Winnipeg
Woman: 25 – 49 yrs, white collar worker, girl 3 yrs.
Renter. No car.
(excluding risk management and savings)

	Month	Year	Percent of Total
Food *(1)*	$225.41	$2,704.88	11
Shelter (2)	695.76	8,349.16	33
Home Furnishings & Equipment	73.92	887.04	3
Household Operation	27.50	330.04	1
Clothing	148.44	1,781.22	7
Health Care, Dental & Medicine Chest *(3)*	49.35	592.18	2
Personal Care	48.49	581.87	2
Recreation, Reading, Gifts & Contributions	294.48	3,533.73	14
Communication	45.75	549.02	2
Transportation *(4)*	97.04	1,164.50	5
Child Care	433.33	5,200	20
TOTAL	**$2,139.49**	**$25,673.64**	**100**

1) Food budget calculated for 2 persons (additional 10%); no meals away from home
2) Two bedroom apartment in Winnipeg including electricity and insurance
3) Blue Cross Medi-Blue, annual dental check-ups/cleaning and Medicine Chest.
4) Public transit plus taxis (Winnipeg).

■ **SAMPLE BUDGET - 4 person family in Winnipeg**
Man: 25-29 years, blue collar worker. Woman: 25-49 years., white collar worker, girl 15, boy 13.
Homeowners with no mortgage. Car with no loan.
(excluding risk management and savings)

	Month	Year	Percent of Total
Food *(1)*	$625.07	$7,500.81	19
Shelter *(2)*	499.88	5,998.51	15
Home Furnishings and Equipment	111.10	1,333.17	3
Household Operation	44.13	529.60	1
Clothing	291.06	3,492.75	9
Health Care, Dental & Medicine Chest *(3)*	75.06	900.68	2
Personal Care	117.64	1,411.72	4
Recreation/Reading, Gifts & Contributions	495.94	5,951.29	15
Communications	51.98	623.71	2
Transportation *(4)*	992.68	11,912.10	30
TOTAL	**$3,304.53**	**$39,654.34**	**100**

1) *Food budget calculated for 4 persons; no meals away from home*
2) *Homeowner in Winnipeg, no mortgage*
3) *Blue Cross Medi-Blue, annual dental check- ups/cleaning and Medicine Chest.*
4) *24,000 km. plus bus fare for one spouse and children.*

■ **SAMPLE BUDGET - 1 person family in Winnipeg**
Man: 19 – 25 years, white collar worker.
Renter. Car with loan.
(excluding risk management and savings)

	Month	Year	Percent of Total
Food *(1)*	$224.38	$2,692.55	12
Shelter *(2)*	558.76	6,705.16	29
Home Furnishings & Equipment	56.40	676.76	3
Household Operation	15.02	180.28	1
Clothing	76.64	919.67	4
Health Care, Dental & Medicine Chest *(3)*	27.05	324.58	1
Personal Care	26.13	313.58	1
Recreation, Reading, Gifts & Contributions	186.54	2,238.49	10
Communications	44.31	531.75	2
Transportation *(4)*	735.75	8,829.00	38
TOTAL	**$1,950.99**	**$23,411.82**	**100**

1. *Food budget calculated for 1 person (additional 20%); no meals away from home*
2. *One bedroom apartment in Winnipeg, including electricity and insurance.*
3. *Blue Cross Medi-Blue, annual dental check- ups/cleaning and Medicine Chest.*
4. *16,000 km. (Winnipeg).*

What Does It Cost You To Live?

Many financial advisers recommend that you keep track of your expenses for several months in order to get an accurate picture of what it really costs you to live. See the fact sheet series, ***Finances for Families*** for information, activities and worksheets that can help you develop a spending plan.

In the space provided jot down some notes you want to remember when using these family living cost guidelines.

NOTES:

On the next page complete the **Budget Guides** figures for your situation and compare them to your current living costs.

$

YOUR FAMILY LIVING COSTS FIGURES Date: _____				
	Family Living Costs Figures	Your Figures		Notes
		Month	Year	
Food				
Shelter				
Home furnishings and equipment				
Household operation				
Personal care				
Health care				
Medicine chest supplies				
Clothing				
Transportation				
Recreation, reading, gifts				
Communication				
Risk management				
Savings				
Other (child care)				
Other				
TOTAL				

For further information:

- Contact a Manitoba Agriculture, Food and Rural Initiatives home economist in rural communities for additional information on family financial topics. Other fact sheet series include ***Finances for Families*** and ***Building Financial Security***.

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